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in the official standards for U.S. Consumer Grade B shell eggs.

- (d) The sale of eggs by any producer with an annual egg production from a flock of 3,000 hens or less and the record requirements of §57.200;
- (e) The processing and sale of egg products by any producer from eggs of the producer's own flock when sold directly to a household consumer exclusively for use by such consumer and members of the consumer's household and the consumer's nonpaying guests and employees;
- (f) The sale of eggs by shell egg packers on the premises where the grading station is located, directly to household consumers for use by such consumer and members of the consumer's household and the consumer's nonpaying guests and employees, and the transportation, possession, and use of such eggs. Each such sale of "restricted eggs" shall be limited to no more than 30 dozen eggs;
- (g) The processing in nonofficial plants, including but not limited to bakeries, restaurants, and other food processors, without continuous inspection, of certain categories of food products which contain eggs or egg products as an ingredient, and the sale and possession of such products: *Provided*, That such products are manufactured from inspected egg products processed in accordance with this part or from eggs containing no more restricted eggs than are allowed in the official standards for U.S. Consumer Grade B shell eggs:
- (h) The purchase, sale, possession, or transportation of shell eggs containing more restricted eggs than allowed in the tolerances for U.S. Consumer Grade B shell eggs: *Provided*, That such eggs are handled in accordance with §\$57.200 and 57.700 through 57.860 to assure that only eggs fit for human food are used for such purpose. This exemption applies to the following:
- (1) Egg producers, assemblers, whole-salers, and grading operations;
 - (2) Hatcheries;
 - (3) Transporters;
- (4) Laboratories, pharmaceutical companies; and

(5) Processors of products not intended for use as human food.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57166, Sept. 24, 2004]

§ 57.105 Suspension or termination of exemptions.

- (a) The Administrator may modify or revoke any regulation of this part, granting exemptions whenever he determines such action appropriate to effectuate the purposes of the Act.
- (b) Failure to comply with the condition of the exemptions contained in §57.100 shall subject such person to the penalties provided for in the Act and in this part.

[63 FR 69968, Dec. 17, 1998, as amended at 69 FR 57166, Sept. 24, 2004]

PERFORMANCE OF SERVICES

\S 57.110 Licensed inspectors.

- (a) Any person who is a Federal employee or the employee of a cooperating agency who possesses proper qualifications as determined by an examination for competency, and who is to perform surveillance inspection services, may be licensed by the Secretary as an inspector.
- (b) All licenses issued by the Secretary shall be countersigned by the Administrator or by any other designated official of the service.

[69 FR 67166, Sept. 24, 2004]

§57.112 Suspension of license or authority; revocation.

Pending final action by the Secretary, any person authorized to countersign a license to perform surveillance inspection services may, whenever such action is necessary to assure that any inspection service is properly performed, suspend or revoke any license to perform inspection services issued pursuant to this part by giving notice of such action to the respective licensee, accompanied by a statement of the reasons. Within 7 days after the receipt of the suspension or revocation notice and statement of reasons, the licensee may file an appeal in writing to the Secretary, supported by any argument or evidence that the licensee may wish to offer as to why the license should not be suspended or revoked.

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After the expiration of the 7-day period and consideration of such argument and evidence, the Secretary will take appropriate action regarding the suspension or revocation. When no appeal is filed within the prescribed 7 days, the license is revoked or suspended.

[69 FR 57166, Sept. 24, 2004]

§57.114 Surrender of license.

Each license that is canceled, suspended, revoked, or expired shall immediately be surrendered by the licensee to the office of inspection serving the area in which the licensee is located.

[69 FR 57167, Sept. 24, 2004]

§ 57.119 Political activity.

Federal inspectors may participate in certain political activities, including management and participation in political campaigns as allowed by Federal regulation and AMS directives. Inspectors are subject to these rules while they are on leave with or without pay, including furlough; however the rules do not apply to cooperative employees not under Federal supervision and intermittent employees on the days they perform no service. Willfull violations of the political activity rules constitute grounds for removal from the service.

[69 FR 57167, Sept. 24, 2004]

§ 57.120 Financial interest of inspectors.

An inspector shall not inspect any product in which the inspector is financially interested.

[69 FR 57167, Sept. 24, 2004]

§ 57.130 Identification.

Each inspector shall have in their possession at all times, and present while on duty upon request, the means of identification furnished by the Department.

 $[69 \; \mathrm{FR} \; 57167, \; \mathrm{Sept.} \; 24, \; 2004]$

§ 57.132 Access to plants.

Access shall not be refused to any representative of the Secretary to any plant, place of business, or transport vehicle subject to inspection under the provisions of this part upon presen-

tation of identification furnished by the Department.

[63 FR 69968, Dec. 17, 1998, as amended at 69 FR 57166, Sept. 24, 2004]

§ 57.134 Accessibility of product.

Each product for which inspection service is required shall be so placed as to disclose fully its class, quality, quantity, and condition as the circumstances may warrant.

[63 FR 69968, Dec. 17, 1998, as amended at 69 FR 57167, Sept. 24, 2004]

RECORDS AND RELATED REQUIREMENTS FOR EGG HANDLERS AND RELATED IN-DUSTRIES

§ 57.200 Records and related requirements.

(a) Persons engaged in the business of transporting, shipping, or receiving any eggs in commerce, or holding such articles so received, and all egg handlers, including hatcheries, shall maintain for 2 years records showing the receipt, delivery, sale, movement, and disposition of all eggs handled by them, and upon the request of an authorized representative of the Secretary, shall permit the representative, at reasonable times, to have access to and to copy all such records.

(b) All egg handlers shall maintain production records as approved by the Administrator. The records (bills of sale, inventories, receipts) shall show the name and address of the shipper and receiver, the date of the transaction, the quality of the eggs (graded eggs, nest-run eggs, dirties, checks, leakers, loss, inedible eggs), and the quantity of the eggs (amount). Producers who ship all of their production as nest-run eggs without segregation need only to maintain records indicating the amount of shell eggs shipped, date of shipment, and the receivers' name and address.

[69 FR 57167, Sept. 24, 2004]

§ 57.220 Information and assistance to be furnished to inspectors.

When surveillance inspection service is performed at any plant, the plant operator shall furnish the inspector such information and assistance as may be